

LEGISLATIVE BILL 308A

Approved by the Governor April 21, 2008

Introduced by Stuthman, 22.

FOR AN ACT relating to financing statements; to amend section 9-506, Uniform Commercial Code, Reissue Revised Statutes of Nebraska, as amended by section 28, Legislative Bill 851, One Hundredth Legislature, Second Session, 2008; to change provisions relating to the effects of errors and omissions; to provide for applicability; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 9-506, Uniform Commercial Code, Reissue Revised Statutes of Nebraska, as amended by section 28, Legislative Bill 851, One Hundredth Legislature, Second Session, 2008, is amended to read:

9-506 Effect of errors or omissions.

~~(a)~~ (a)(i) This subsection applies until September 2, 2009. A financing statement substantially satisfying the requirements of this part is effective, even if it has minor errors or omissions, unless the errors or omissions make the financing statement seriously misleading.

~~(b)~~ (ii) Except as otherwise provided in subsection ~~(e)~~, subdivision (iii) of this subsection, a financing statement that fails sufficiently to provide the name of the debtor in accordance with section 9-503(a) is seriously misleading.

~~(e)~~ (iii) If a search of the records of the filing office under the debtor's correct name, ~~or, in the case of a debtor who is an individual, the debtor's correct last name,~~ using the filing office's standard search logic, if any, would disclose a financing statement that fails sufficiently to provide the name of the debtor in accordance with section 9-503(a), the name provided does not make the financing statement seriously misleading.

~~(d)~~ (iv) For purposes of section 9-508(b), the "debtor's correct name" in ~~subsection (e) subdivision (iii) of this subsection~~ means the correct name of the new debtor.

(b)(i) This subsection applies beginning on September 2, 2009. A financing statement substantially satisfying the requirements of this part is effective, even if it has minor errors or omissions, unless the errors or omissions make the financing statement seriously misleading.

(ii) Except as otherwise provided in subdivision (iii) of this subsection, a financing statement that fails sufficiently to provide the name of the debtor in accordance with section 9-503(a) is seriously misleading.

(iii) If a search of the records of the filing office under the debtor's correct name, or, in the case of a debtor who is an individual, the debtor's correct last name, using the filing office's standard search logic, if any, would disclose a financing statement that fails sufficiently to provide the name of the debtor in accordance with section 9-503(a), the name provided does not make the financing statement seriously misleading.

(iv) For purposes of section 9-508(b), the "debtor's correct name" in subdivision (iii) of this subsection means the correct name of the new debtor.

Sec. 2. Original section 9-506, Uniform Commercial Code, Reissue Revised Statutes of Nebraska, as amended by section 28, Legislative Bill 851, One Hundredth Legislature, Second Session, 2008, is repealed.